



## Irish Life Weekly Investment Bulletin

The week that was – WEEK 47 2018 (ending 23/11/2018)

**“We should be too big to take offence and too noble to give it.” – Abraham Lincoln**

**Irish credit and debit card spending hits record high in Q3** – Latest Credit and Debit Card Statistics for Q3 2018 from the Central Bank of Ireland show an annual increase of 8% to €18.1 billion, a new record high. Debit card transactions (including ATM) were 5.4 times the value of credit card expenditure over the quarter.

**Irish employment increases by 3.0% y-o-y in Q3** – Latest figures from the CSO show an annual increase in employment of 3.0% to the third quarter of 2018, bringing total employment to a record high of 2,273,200. The 66,700 increase since Q3 2017 was made of a 2.5% rise in full-time employment, with part-time up 5.1%.

**Global stock market down 2.6% on the week** – The MSCI AC World TR Index showed a -2.55% return from 16th November to 23rd November as some technology stocks entered bear market territory and China/U.S. trade worries continued. The Vix (Volatility Index) closed the week at 21.52, up from 18.14 on 16th November.

**EU and UK ratify Brexit agreement** – A Withdrawal Agreement on Brexit was ratified by the 27 remaining members of the European Union and the United Kingdom but the big challenge remains of British Prime Minister Theresa May gaining parliamentary approval for the deal, which has split the UK parliament.

**OECD reduces its 2019 global growth forecast to 3.5%** – The Organization for Economic Co-Operation and Development reported that global GDP is now expected to grow by 3.5% in 2019 (compared with the 3.7% forecast in May's Outlook) and by 3.5% in 2020. They said trade growth and investment have been slowing.

**EC begins 'excessive deficit procedure' over Italy's 2019 budget** – The European Commission called for the opening of an Excessive Deficit Procedure (EDP) against Italy as Rome refused once again to revise its 2019 draft budget plan. The EDP would subject Italy to a fixed fine of 0.2% of its GDP plus a variable fine.

**The Story of the week:** An 18-year-old teenager in Hemer, Germany experienced both the 'ecstasy and the agony' in less than an hour after he lost his driving licence just 49 minutes after passing his test. He was returning home from the test centre when police clocked him travelling at 95 km/h in a 50 km/h zone in the North Rhine-Westphalia town. "Some things last forever - others not for an hour," police officers wrote in their statement. He has been banned for four weeks and will only get his licence back after "expensive retraining" according to the police. He is also facing a €200 fine, two points on his licence once it is restored and his probationary period as a new driver has been lengthened from two years to four.

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# Index Performances and Market Data\*

<b>Equity and Bond Markets % (in Local Currency)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD (to 23/11)</b>
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	-3.2
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-14.3
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	-5.8
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	-8.2
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	0.2
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	0.5
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-7.6
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	-11.8
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	-0.6
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2013 Year End</b>	<b>2014 Year End</b>	<b>2015 Year End</b>	<b>2016 Year End</b>	<b>2017 Year End</b>	<b>2018 YTD</b>
U.S.	3.0	2.2	2.2	2.4	2.4	3.0
German	1.9	0.5	0.6	0.2	0.4	0.3
UK	3.0	1.9	1.9	1.2	1.2	1.4
Japan	0.7	0.3	0.2	0.0	0.0	0.1
Ireland	3.4	1.3	1.1	0.7	0.7	0.9
Italy	4.1	2.1	1.6	1.8	2.0	3.4
Greece	8.2	9.6	7.9	7.1	4.1	4.5
Portugal	6.1	2.7	2.5	3.8	1.9	1.9
Spain	4.1	1.6	1.7	1.4	1.6	1.6
<b>Central Bank Rates (%)</b>	<b>2013 Year End</b>	<b>2014 Year End</b>	<b>2015 Year End</b>	<b>2016 Year End</b>	<b>2017 Year End</b>	<b>2018 YTD</b>
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.75
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	2.25
<b>Foreign Exchange Rates</b>	<b>2013 Year End</b>	<b>2014 Year End</b>	<b>2015 Year End</b>	<b>2016 Year End</b>	<b>2017 Year End</b>	<b>2018 YTD</b>
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.14
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.88
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.28
<b>IPD All Property Return % (in Local Currency)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
Ireland	12.3	36.1	25.1	12.6	8.1%	7.5% (To end of Q3)
U.K.	10.9	17.9	13.3	3.6	10.3%	5.3% (To end of Q3)
U.S.	11.6	11.5	12.5	7.7	7.1%	5.6% (To end of Q3)

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